

# 10 Questions

to ask

When Choosing A

Financial  
Planner

**CERTIFIED  
FINANCIAL  
PLANNER**  
BOARD OF STANDARDS

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**You** may be considering help from a financial planner for a number of reasons, whether it's deciding to buy a new home, planning for retirement or your children's education, or simply not having the time or expertise to get your finances in order. Whatever your needs, working with a financial planner can be a helpful step in securing your financial future.

The questions in this brochure will help you interview and evaluate several financial planners to find the one that's right for you. You will want to select a competent, qualified professional with whom you feel comfortable, one whose business style suits your financial planning needs. An interview checklist has been included for your convenience.

**Q** What experience do you have?

**A** Find out how long the planner has been in practice and the number and types of companies with which she has been associated. Ask the planner to briefly describe her work experience and how it relates to her current practice. Choose a financial planner who has experience counseling individuals on their financial needs.

**Q** What are your qualifications?

**A** The term “financial planner” is used by many financial professionals. Ask the planner what qualifies him to offer financial planning advice and whether he is recognized as a CERTIFIED FINANCIAL PLANNER™ or CFP™ practitioner, a Certified Public Accountant-Personal Financial Specialist (CPA-PFS), or a Chartered Financial Consultant (ChFC). Look for a planner who has proven experience in financial planning topics such as insurance, tax planning, investments, estate planning or retirement planning. Determine what steps the planner takes to stay current with changes and developments in the financial planning field. If the planner holds a financial planning designation or certification, check on his background with the CFP Board or other relevant professional organizations.

## **Q** What services do you offer?

**A** The services a financial planner offers depend on a number of factors including credentials, licenses and areas of expertise. Generally, financial planners cannot sell insurance or securities products such as mutual funds or stocks without the proper licenses, or give investment advice unless registered with state or Federal authorities. Some planners offer financial planning advice on a range of topics but do not sell financial products. Others may provide advice only in specific areas such as estate planning or on tax matters.

## **Q** What is your approach to financial planning?

**A** Ask the financial planner about the type of clients and financial situations she typically likes to work with. Some planners prefer to develop one plan by bringing together all of your financial goals. Others provide advice on specific areas, as needed. Make sure the planner's viewpoint on investing is not too cautious or overly aggressive for you. Some planners require you to have a certain net worth before offering services. Find out if the planner will carry out the financial recommendations developed for you or refer you to others who will do so.

**Q** Will you be the only person working with me?

**A** The financial planner may work with you himself or have others in the office assist him. You may want to meet everyone who will be working with you. If the planner works with professionals outside his own practice (such as attorneys, insurance agents or tax specialists) to develop or carry out financial planning recommendations, get a list of their names to check on their backgrounds.

**Q** How will I pay for your services?

**A** As part of your financial planning agreement, the financial planner should clearly tell you in writing how she will be paid for the services to be provided. Planners can be paid in several ways:

- a *salary* paid by the company for which the planner works. The planner's employer receives payment from you or others, either in fees or commissions, in order to pay the planner's salary.
- *fees* based on an hourly rate, a flat rate, or on a percentage of your assets and/or income.
- *commissions* paid by a third party from the products sold to you to carry out the financial planning recommendations. Commissions are usually a percentage of the amount you invest in a product.

- a combination of fees and commissions whereby fees are charged for the amount of work done to develop financial planning recommendations and commissions are received from any products sold. In addition, some planners may offset some portion of the fees you pay if they receive commissions for carrying out their recommendations.

## **Q** How much do you typically charge?

- A** While the amount you pay the planner will depend on your particular needs, the financial planner should be able to provide you with an estimate of possible costs based on the work to be performed. Such costs would include the planner's hourly rates or flat fees or the percentage he would receive as commission on products you may purchase as part of the financial planning recommendations.



**Q** Could anyone besides me benefit from your recommendations?

**A** Some business relationships or partnerships that a planner has could affect her professional judgment while working with you, inhibiting the planner from acting in your best interest. Ask the planner to provide you with a description of her conflicts of interest in writing. For example, financial planners who sell insurance policies, securities or mutual funds have a business relationship with the companies that provide these financial products. The planner may also have relationships or partnerships that should be disclosed to you, such as business she receives for referring you to an insurance agent, accountant or attorney for implementation of planning suggestions.



**Q** Have you ever been publicly disciplined for any unlawful or unethical actions in your professional career?

**A** Several government and professional regulatory organizations, such as the National Association of Securities Dealers (NASD), your state insurance and securities departments, and the CFP Board keep records on the disciplinary history of financial planners and advisers. Ask what organizations the planner is regulated by and contact these groups to conduct a background check. (See listing at back.) All financial planners who have registered as investment advisers with the Securities and Exchange Commission or state securities agencies, or who are associated with a company that is registered as an investment adviser, must be able to provide you with a disclosure form called Form ADV Part II or the state equivalent of that form.

**Q** Can I have it in writing?

**A** Ask the planner to provide you with a written agreement that details the services that will be provided. Keep this document in your files for future reference.

## **To Check the Disciplinary History of a Financial Planner or Adviser**

Certified Financial Planner Board of Standards  
888-237-6275  
[www.CFPnet](http://www.CFPnet)

North American Securities  
Administrators Association  
202-737-0900  
[www.nasaa.org](http://www.nasaa.org)

National Association of Insurance Commissioners  
816-842-3600  
[www.naic.org](http://www.naic.org)

National Association of Securities Dealers Regulation  
800-289-9999  
[www.nasdr.com](http://www.nasdr.com)

National Fraud Exchange (fee involved)  
800-822-0416

Securities and Exchange Commission  
202-942-7040  
[www.sec.gov](http://www.sec.gov)

## **To Find a Financial Planner in Your Area**

Financial Planning Association  
800-282-7526  
[www.fpanet.org](http://www.fpanet.org)

National Association of Personal  
Financial Advisors  
888-333-6659  
[www.napfa.org](http://www.napfa.org)

American Institute of  
Certified Public Accountants-  
Personal Financial Planning Division  
888-999-9256  
[www.aicpa.org](http://www.aicpa.org)

Society of Financial Service Professionals  
888-243-2258  
[www.financialpro.org](http://www.financialpro.org)

Certified Financial Planner Board of Standards  
1700 Broadway, Suite 2100  
Denver, Colorado 80290-2101  
888-CFP-MARK (888-237-6275)  
Fax: 303-860-7388  
Web: [www.CFPnet](http://www.CFPnet)

# Checklist for Interviewing a Financial Planner

Planner Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Date: \_\_\_\_\_

## **1. Do you have experience in providing advice on the topics below?**

If yes, please indicate the number of years.

☐ Retirement planning \_\_\_\_\_

☐ Investment planning \_\_\_\_\_

☐ Tax planning \_\_\_\_\_

☐ Estate planning \_\_\_\_\_

☐ Insurance planning \_\_\_\_\_

☐ Integrated planning \_\_\_\_\_

☐ Other \_\_\_\_\_

## **2. What are your areas of specialization? What qualifies you in this field?**

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## **3. A. How long have you been offering financial planning advice to clients?**

☐ Less than one year

☐ One to four years

☐ Five to 10 years

☐ More than 10 years

## **B. How many clients do you currently have?**

☐ Less than 10 clients

☐ 10 to 39

☐ 40 to 79

☐ 80 +

**4. Briefly describe your work history.**

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**5. What are your educational qualifications?**

**Give area of study.**

- ☐ Certificate \_\_\_\_\_
- ☐ Undergraduate Degree \_\_\_\_\_
- ☐ Advanced Degree \_\_\_\_\_
- ☐ Other \_\_\_\_\_

**6. What financial planning designation(s) or certification(s) do you hold?**

- ☐ CERTIFIED FINANCIAL PLANNER™ or CFP™
- ☐ Certified Public Accountant-Personal Financial Specialist (CPA-PFS)
- ☐ Chartered Financial Consultant (ChFC)

**7. What financial planning continuing education requirements do you fulfill? \_\_\_\_\_ hours every \_\_\_\_\_**

**8. What licenses do you hold?**

- ☐ Insurance
- ☐ Securities
- ☐ CPA
- ☐ J.D.
- ☐ Other \_\_\_\_\_

**9. A. Are you personally licensed or registered as an Investment Adviser with the:**

- ☐ State(s)? \_\_\_\_\_
- ☐ Federal Government?
- If no, why not? \_\_\_\_\_

**B. Is your firm licensed or registered as an Investment Adviser with the:**

- ☐ State(s)? \_\_\_\_\_
- ☐ Federal Government?
- If no, why not? \_\_\_\_\_

**C. Will you provide me with your disclosure document Form ADV Part II or its state equivalent?**

☐ Yes      ☐ No

If no, why not? \_\_\_\_\_

**10. What services do you offer?** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**11. Describe your approach to financial planning.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**12. A. Who will work with me?**

☐ Planner

☐ Associate(s) \_\_\_\_\_  
\_\_\_\_\_

**B. Will the same individual(s) review my financial situation?**

☐ Yes      ☐ No

If no, who will? \_\_\_\_\_

**13. How are you paid for your services?**

☐ Fee

☐ Commission

☐ Fee and commission

☐ Salary

☐ Other \_\_\_\_\_

**14. What do you typically charge?**

**A. Fee:**

Hourly rate \$ \_\_\_\_\_ @ hour

Flat fee (range) \$ \_\_\_\_\_ to \$ \_\_\_\_\_

Percentage of assets under management  
\_\_\_\_\_ percent

**B. Commission:**

What is the approximate percentage of the investment or premium you receive on: stocks and bonds \_\_\_\_\_; mutual funds \_\_\_\_\_; annuities \_\_\_\_\_; insurance products \_\_\_\_\_; other \_\_\_\_\_

**15. A. Do you have a business affiliation with any company whose products or services you are recommending?**

☐ Yes      ☐ No

Explain \_\_\_\_\_  
\_\_\_\_\_

**B. Is any of your compensation based on selling products?**

☐ Yes      ☐ No

Explain \_\_\_\_\_  
\_\_\_\_\_

**C. Do professionals and sales agents to whom you may refer me send business, fees or any other benefits to you?**

☐ Yes      ☐ No

Explain \_\_\_\_\_  
\_\_\_\_\_

**D. Do you have an affiliation with a broker/dealer?**

☐ Yes      ☐ No

**E. Are you an owner of, or connected with, any other company whose services or products I will use?**

☐ Yes      ☐ No

Explain \_\_\_\_\_  
\_\_\_\_\_

**16. Do you provide a written client engagement agreement?**

☐ Yes      ☐ No

If no, why not? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_